

**WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
WILLIAMSBURG, IOWA**

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

JUNE 30, 2012

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WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
(Before September 2011 election)		
Tom Claypool	President	2011
Dianne Foley	Vice President	2013
Mark Armstrong	Board Member	2011
Darren Spenler	Board Member	2013
Matt Blythe	Board Member	2013
(After September 2011 election)		
Tom Claypool	President	2015
Dianne Foley	Vice President	2013
Darren Spenler	Board Member	2013
Matt Blythe	Board Member	2013
Mark Armstrong	Board Member	2015
<u>School Officials</u>		
Dr. Carol Montz	Superintendent	2014
Kathryn McMann	District Secretary/Treasurer and Business Manager	2012
Tom Buchanan	Attorney	Indefinite
Andrew Bracken	Attorney	Indefinite

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Williamsburg Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williamsburg Community School District, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Williamsburg Community School District at June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2012 on our consideration of Williamsburg Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U. S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District has not presented Management's Discussion and Analysis that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Williamsburg Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the seven years ended June 30, 2011 (which are not presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of District management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Oskaloosa, Iowa
October 22, 2012

Basic Financial Statements

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled investments	\$ 8,311,694	\$ 99,179	\$ 8,410,873
Receivables:			
Property tax:			
Current year	77,435	-	77,435
Succeeding year	4,224,867	-	4,224,867
Income surtax	478,278	-	478,278
Accounts	507	-	507
Due from other governments	484,766	-	484,766
Inventories	-	10,050	10,050
Prepaid expenses	296	-	296
Capital assets, net of accumulated depreciation (note 5)	20,898,733	66,732	20,965,465
Total assets	34,476,576	175,961	34,652,537
Liabilities			
Accounts payable	125,559	-	125,559
Salaries and benefits payable	12,889	-	12,889
Accrued interest payable	133,836	-	133,836
Deferred revenue:			
Succeeding year property tax	4,224,867	-	4,224,867
Other	-	9,950	9,950
Long-term liabilities (note 6):			
Portion due within one year:			
Early retirement	65,839	-	65,839
Bonds payable	508,125	-	508,125
Notes payable	365,000	-	365,000
Portion due after one year:			
Early retirement	208,741	-	208,741
Bonds payable	10,128,750	-	10,128,750
Notes payable	2,735,000	-	2,735,000
Net OPEB liability	673,046	-	673,046
Total liabilities	19,181,652	9,950	19,191,602

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 10,935,692	\$ 66,732	\$ 11,002,424
Restricted for:			
Categorical funding (note 11)	301,104	-	301,104
Management levy purposes	70,568	-	70,568
Physical plant and equipment levy purposes	104,201	-	104,201
Student activities	153,098	-	153,098
Debt service	889,792	-	889,792
Capital projects	650,288	-	650,288
Unrestricted	<u>2,190,181</u>	<u>99,279</u>	<u>2,289,460</u>
Total net assets	<u>\$ 15,294,924</u>	<u>\$ 166,011</u>	<u>\$ 15,460,935</u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 8,296,889	\$ 1,219,639	\$ 1,183,055	\$ -
Support services:				
Student services	206,939	-	1,984	-
Instructional staff services	279,478	-	94,078	-
Administration services	1,413,285	-	-	-
Operation and maintenance of plant services	939,434	2,285	-	-
Transportation services	590,187	-	23,783	-
	<u>3,429,323</u>	<u>2,285</u>	<u>119,845</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	504,615	-	-	90,353
Long-term debt interest and fiscal charges	274,329	-	-	-
AEA flowthrough	421,717	-	421,717	-
Depreciation (unallocated) *	378,267	-	-	-
	<u>1,578,928</u>	<u>-</u>	<u>421,717</u>	<u>90,353</u>
Total governmental activities	13,305,140	1,221,924	1,724,617	90,353

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
<hr/>		
\$ (5,894,195)	\$ -	\$ (5,894,195)
(204,955)	-	(204,955)
(185,400)	-	(185,400)
(1,413,285)	-	(1,413,285)
(937,149)	-	(937,149)
(566,404)	-	(566,404)
<u>(3,307,193)</u>	<u>-</u>	<u>(3,307,193)</u>
(414,262)	-	(414,262)
(274,329)	-	(274,329)
-	-	-
<u>(378,267)</u>	<u>-</u>	<u>(378,267)</u>
<u>(1,066,858)</u>	<u>-</u>	<u>(1,066,858)</u>
<u>(10,268,246)</u>	<u>-</u>	<u>(10,268,246)</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions
Business-Type Activities:				
Support services:				
Purchased services	\$ 1,973	\$ -	\$ -	\$ -
Operation and maintenance of plant services	9,405	-	-	-
	<u>11,378</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-instructional programs:				
Food service operations	<u>547,332</u>	<u>354,161</u>	<u>193,362</u>	<u>27,621</u>
Total business-type activities	<u>558,710</u>	<u>354,161</u>	<u>193,362</u>	<u>27,621</u>
Total	\$ <u>13,863,850</u>	\$ <u>1,576,085</u>	\$ <u>1,917,979</u>	\$ <u>117,974</u>

General revenues:

Property tax levied for:
 General purposes
 Capital outlay
Income surtax
Statewide sales, services and use tax
Unrestricted state and federal grants
Unrestricted investment earnings
Other

Total general revenues

Change in net assets

Net assets beginning of year

Net assets end of year

* = This amount excludes the depreciation included
in the direct expenses of the various programs.

See notes to financial statements.

Net (Expense) Revenue
and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ -	\$ (1,973)	\$ (1,973)
-	(9,405)	(9,405)
-	(11,378)	(11,378)
-	27,812	27,812
-	16,434	16,434
(10,268,246)	16,434	(10,251,812)
\$ 3,882,546	\$ -	\$ 3,882,546
561,765	-	561,765
525,737	-	525,737
950,118	-	950,118
4,895,032	-	4,895,032
122,640	281	122,921
84,434	-	84,434
11,022,272	281	11,022,553
754,026	16,715	770,741
14,540,898	149,296	14,690,194
<u>\$ 15,294,924</u>	<u>\$ 166,011</u>	<u>\$ 15,460,935</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 2,391,392	\$ 4,753,729	\$ 1,166,573	\$ 8,311,694
Receivables:				
Property tax:				
Current year	65,273	8,289	3,873	77,435
Succeeding year	3,359,362	566,255	299,250	4,224,867
Income surtax	478,278	-	-	478,278
Interfund receivable (note 3)	6,090	-	-	6,090
Accounts	507	-	-	507
Due from other governments	293,804	190,962	-	484,766
Prepaid expenses	296	-	-	296
Total assets	\$ 6,595,002	\$ 5,519,235	\$ 1,469,696	\$ 13,583,933

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General	Capital Projects	Nonmajor	Total
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 58,420	\$ 65,067	\$ 2,072	\$ 125,559
Salaries and benefits payable	12,889	-	-	12,889
Interfund payable (note 3)	-	6,090	-	6,090
Deferred revenue:				
Succeeding year property tax	3,359,362	566,255	299,250	4,224,867
Other	478,278	-	-	478,278
Total liabilities	<u>3,908,949</u>	<u>637,412</u>	<u>301,322</u>	<u>4,847,683</u>
Fund balances:				
Nonspendable:				
Prepaid expenses	296	-	-	296
Restricted for:				
Categorical funding (note 11)	301,104	-	-	301,104
Bond reserve	-	353,500	-	353,500
Debt service	-	-	670,128	670,128
Capital projects	-	417,596	-	417,596
Management levy purposes	-	-	345,148	345,148
Student activities	-	-	153,098	153,098
School infrastructure	-	4,006,526	-	4,006,526
Physical plant and equipment	-	104,201	-	104,201
Unassigned	2,384,653	-	-	2,384,653
Total fund balances	<u>2,686,053</u>	<u>4,881,823</u>	<u>1,168,374</u>	<u>8,736,250</u>
Total liabilities and fund balances	<u>\$ 6,595,002</u>	<u>\$ 5,519,235</u>	<u>\$ 1,469,696</u>	<u>\$ 13,583,933</u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 June 30, 2012

Total fund balances of governmental funds	\$ 8,736,250
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	20,898,733
Other long-term assets, including income surtax receivable, are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	478,278
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(133,836)
Long-term liabilities, including early retirement, bonds payable, notes payable, and net OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(14,684,501)</u>
Net assets of governmental activities	<u>\$ 15,294,924</u>
See notes to financial statements.	

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2012

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 4,138,176	\$ 1,511,667	\$ 217,358	\$ 5,867,201
Tuition	578,066	-	-	578,066
Other	119,476	170,425	607,030	896,931
State sources	6,280,643	216	98	6,280,957
Federal sources	340,663	40,353	-	381,016
Total revenues	11,457,024	1,722,661	824,486	14,004,171
Expenditures:				
Current:				
Instruction	7,342,661	1,580	690,470	8,034,711
Support services:				
Student services	195,299	-	-	195,299
Instructional staff services	279,478	-	-	279,478
Administration services	1,368,613	6,090	-	1,374,703
Operation and maintenance of plant services	849,665	-	89,568	939,233
Transportation services	537,890	12,802	16,450	567,142
	3,230,945	18,892	106,018	3,355,855
Other expenditures:				
Facilities acquisition	-	8,355,534	-	8,355,534
Long term debt:				
Principal	-	-	908,125	908,125
Interest and fiscal charges	-	-	278,695	278,695
AEA flowthrough	421,717	-	-	421,717
	421,717	8,355,534	1,186,820	9,964,071
Total expenditures	10,995,323	8,376,006	1,983,308	21,354,637
Excess (deficiency) of revenues over (under) expenditures	461,701	(6,653,345)	(1,158,822)	(7,350,466)

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2012

	General	Capital Projects	Nonmajor	Total
Other financing sources (uses):				
Sale of equipment	\$ 4,001	\$ -	\$ -	\$ 4,001
Interfund transfers in (note 4)	-	-	1,853,999	1,853,999
Interfund transfers out (note 4)	-	(1,853,999)	-	(1,853,999)
Total other financing sources (uses)	4,001	(1,853,999)	1,853,999	4,001
Net change in fund balances	465,702	(8,507,344)	695,177	(7,346,465)
Fund balances beginning of year	2,220,351	13,389,167	473,197	16,082,715
Fund balances end of year	\$ 2,686,053	\$ 4,881,823	\$ 1,168,374	\$ 8,736,250

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

Net change in fund balances - total governmental funds \$ (7,346,465)

Amounts reported for governmental activities in the Statement of Activities
are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 7,905,119	
Depreciation expense	<u>(465,224)</u>	7,439,895

Income surtax revenue not received until several months after the District's fiscal year end is not considered available revenue and is deferred in the governmental funds. It is, however, recorded as revenue in the Statement of Activities. 50,994

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets. 908,125

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 4,366

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	(69,237)	
Net OPEB liability	<u>(233,652)</u>	<u>(302,889)</u>

Change in net assets of governmental activities \$ 754,026

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

PROPRIETARY FUND

June 30, 2012

	<u>School Nutrition</u>
Assets	
Cash and cash equivalents	\$ 99,179
Inventories	10,050
Capital assets, net of accumulated depreciation (note 5)	<u>66,732</u>
Total assets	<u>175,961</u>
Liabilities	
Deferred revenue	<u>9,950</u>
Net Assets	
Invested in capital assets	66,732
Unrestricted	<u>99,279</u>
Total net assets	<u>\$ 166,011</u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
Year Ended June 30, 2012

	<u>School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for services	\$ <u>354,161</u>
Operating expenses:	
Support services:	
Purchased services	1,973
Operations and maintenance	<u>9,405</u>
	<u>11,378</u>
Non-instructional programs:	
Food service operations:	
Salaries	216,115
Benefits	58,332
Purchased services	172
Supplies	257,915
Depreciation	<u>14,798</u>
	<u>547,332</u>
Total expenses	<u>558,710</u>
Operating loss	(204,549)
Non-operating revenues:	
Interest on investments	281
Capital contributions	27,621
State sources	4,776
Federal sources	<u>188,586</u>
Total non-operating revenues	<u>221,264</u>
Change in net assets	16,715
Net assets beginning of year	<u>149,296</u>
Net assets end of year	<u>\$ <u>166,011</u></u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2012

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 353,454
Cash received from miscellaneous operating activities	1,290
Cash payments to employees for services	(274,447)
Cash payments to suppliers for goods or services	<u>(229,695)</u>
Net cash used by operating activities	<u>(149,398)</u>
Cash flows from non-capital financing activities:	
State grants received	4,776
Federal grants received	<u>151,197</u>
Net cash provided by non-capital financing activities	<u>155,973</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(8,186)</u>
Cash flows from investing activities:	
Interest on investments	<u>281</u>
Net increase in cash and cash equivalents	(1,330)
Cash and cash equivalents beginning of year	<u>100,509</u>
Cash and cash equivalents end of year	<u>\$ 99,179</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2012

	<u>School Nutrition</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (204,549)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	14,798
Commodities used	37,389
Decrease in inventories	2,956
Decrease in accounts payable	(575)
Increase in deferred revenue	<u>583</u>
Net cash used by operating activities	\$ <u><u>(149,398)</u></u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2012, the District received \$37,389 of federal commodities. The District's School Nutrition Fund also received equipment valued at \$27,621 purchased through the Capital Projects Fund.

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2012

	Private Purpose Trust
	<u>Scholarship</u>
Assets:	
Cash and pooled investments	\$ 45,960
Land held in scholarship trust (note 13)	<u>1,115,000</u>
Total assets	<u>1,160,960</u>
Liabilities:	
None	<u>-</u>
Net assets:	
Nonspendable:	
Land held in scholarship trust (note 13)	1,115,000
Restricted for:	
Scholarships	\$ <u>45,960</u>
	<u><u>1,160,960</u></u>

See notes to financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2012

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Additions:	
Local sources:	
Gain on investment	\$ 140,750
Land rent	41,500
Interest	489
Total additions	<u>182,739</u>
Deductions:	
Support services:	
Scholarships awarded	<u>28,142</u>
Change in net assets	154,597
Net assets beginning of year	<u>1,006,363</u>
Net assets end of year	<u>\$ 1,160,960</u>
See notes to financial statements.	

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies

Williamsburg Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Williamsburg, Iowa, and agricultural territory in Iowa County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Williamsburg Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. Williamsburg Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Iowa County Assessor's Conference Board.

B. Basis of Presentation

District-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the District-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The District reports the following nonmajor proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

The proprietary funds of the District apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust, which is valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2010 assessed property valuations; is for the tax accrual period July 1, 2011 through June 30, 2012 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2011.

Interfund Receivable/Payable – Certain transactions occur between funds during the course of the year. These transactions are reflected on the governmental funds balance sheet only and only to the extent to which they have yet to be repaid.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Due From Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the District-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	50,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

Capital assets are depreciated using the straight line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

Salaries and Benefits Payable – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of the succeeding year property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of the succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unearned meal revenues.

Long-term Liabilities – In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Compensated Absences – The District's policy is not to reimburse employees for unused vacation. Vacation can only be used by an employee in the year it is earned. The District had no compensated absences liability at June 30, 2012.

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classifications.

Restricted Net Assets – In the District-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2012, expenditures did not exceed the amounts budgeted.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2012 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 2. Cash and Pooled Investments (continued)

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2012, the District had investments as follows:

	<u>Amortized Cost</u>
Fixed income equities	\$ <u>585,703</u>

The investments in the fixed income equities are valued at fair value.

Credit Risk – The investments in the fixed income equities are not rated.

Note 3. Interfund Receivables/Payables

A summary of the District's interfund receivables and payables at June 30, 2012, is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General	Capital Projects	\$ <u>6,090</u>

These amounts arise from interfund transactions between funds which have not yet been repaid as of year end.

Note 4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2012 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	\$ <u>1,853,999</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2012 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 255,800	\$ -	\$ -	\$ 255,800
Construction in progress	2,853,309	7,565,956	3,114,357	7,304,908
Total capital assets not being depreciated	<u>3,109,109</u>	<u>7,565,956</u>	<u>3,114,357</u>	<u>7,560,708</u>
Capital assets being depreciated:				
Buildings	12,725,132	3,133,535	-	15,858,667
Improvements other than buildings	2,459,370	211,790	-	2,671,160
Furniture and equipment	1,515,946	108,195	138,518	1,485,623
Total capital assets being depreciated	<u>16,700,448</u>	<u>3,453,520</u>	<u>138,518</u>	<u>20,015,450</u>
Less accumulated depreciation for:				
Buildings	4,617,077	322,608	-	4,939,685
Improvements other than buildings	610,810	64,907	-	675,717
Furniture and equipment	1,122,832	77,709	138,518	1,062,023
Total accumulated depreciation	<u>6,350,719</u>	<u>465,224</u>	<u>138,518</u>	<u>6,677,425</u>
Total capital assets being depreciated, net	<u>10,349,729</u>	<u>2,988,296</u>	<u>-</u>	<u>13,338,025</u>
Governmental activities capital assets, net	<u>\$ 13,458,838</u>	<u>\$ 10,554,252</u>	<u>\$ 3,114,357</u>	<u>\$ 20,898,733</u>
Business-type activities:				
Furniture and equipment	\$ 294,520	\$ 35,807	\$ -	\$ 330,327
Less accumulated depreciation	<u>248,797</u>	<u>14,798</u>	<u>-</u>	<u>263,595</u>
Business-type activities capital assets, net	<u>\$ 45,723</u>	<u>\$ 21,009</u>	<u>\$ -</u>	<u>\$ 66,732</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 5. Capital Assets (continued)

Depreciation expense was charged by the District to the following functions:

Governmental activities:

Instruction:

Regular

\$ 8,723

Support services:

Student support

11,640

Operation and maintenance of plant services

6,107

Transportation

60,487

86,957

Unallocated depreciation

378,267

Total governmental activities depreciation expense

\$ 465,224

Business-type activities:

Food service operations

\$ 14,798

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2012 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Early retirement	\$ 205,343	\$ 114,454	\$ 45,217	\$ 274,580	\$ 65,839
Revenue bonds	11,185,000	-	548,125	10,636,875	508,125
Notes payable	3,460,000	-	360,000	3,100,000	365,000
Net OPEB liability	439,394	233,652	-	673,046	-
Total	<u>\$ 15,289,737</u>	<u>\$ 348,106</u>	<u>\$ 953,342</u>	<u>\$ 14,684,501</u>	<u>\$ 938,964</u>

Early Retirement

The District offers a voluntary early retirement plan to its certified employees and classified employees in District-wide Supervisory positions. Eligible certified employees must be at least age fifty-seven and classified employees must be at least age sixty by June 30 of the year of retirement and all employees must have completed fifteen years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement benefit for each eligible employee is equal to single insurance coverage provided by the District at the dollar amount of single coverage at the time of the employee's retirement. Coverage at this rate will be provided until the employee reaches age sixty-five or otherwise becomes eligible for Medicare or insurance coverage from any other source.

The District also has early retirees covered by other plans. The details of these plans are available upon request at the business administration office.

At June 30, 2012, the District had obligations to 11 participants with a total liability of \$274,580. Actual early retirement expenditures for the year ended June 30, 2012 totaled \$45,217. Early retirement is recorded as a long-term liability of the Governmental Activities in the District-wide financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 6. Long-Term Liabilities (continued)

Revenue Bonds

Details of the District's revenue bonded indebtedness are as follows:

Year Ending June 30,	Issue dated September 15, 2010			Issue dated May 1, 2011			Total	
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest
2013	1.50 %	\$ 478,125	\$ 107,578	1.25 %	\$ 30,000	\$ 139,008	\$ 508,125	\$ 246,586
2014	1.50	478,125	100,406	2.00	35,000	138,632	513,125	239,038
2015	1.50	478,125	93,234	2.00	45,000	137,933	523,125	231,167
2016	1.50	478,125	86,063	2.70	50,000	137,032	528,125	223,095
2017	1.50	478,125	78,891	2.70	60,000	135,682	538,125	214,573
2018	1.50	478,125	71,719	3.20	70,000	134,062	548,125	205,781
2019	1.50	478,125	64,547	3.20	80,000	131,823	558,125	196,370
2020	1.50	478,125	57,375	3.60	90,000	129,262	568,125	186,637
2021	1.50	478,125	50,203	3.60	100,000	126,023	578,125	176,226
2022	1.50	478,125	43,031	3.80	110,000	122,422	588,125	165,453
2023	1.50	478,125	35,859	3.80	120,000	118,243	598,125	154,102
2024	1.50	478,125	28,687	4.00	130,000	113,682	608,125	142,369
2025	1.50	478,125	21,516	4.00	145,000	108,483	623,125	129,999
2026	1.50	478,125	14,344	4.00	155,000	102,683	633,125	117,027
2027	1.50	478,125	7,172	4.05	170,000	96,482	648,125	103,654
2028	-	-	-	4.25	665,000	89,598	665,000	89,598
2029	-	-	-	4.35	690,000	61,335	690,000	61,335
2030	-	-	-	4.35	720,000	31,320	720,000	31,320
		<u>\$ 7,171,875</u>	<u>\$ 860,625</u>		<u>\$ 3,465,000</u>	<u>\$ 2,053,705</u>	<u>\$ 10,636,875</u>	<u>\$ 2,914,330</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 6. Long-Term Liabilities (continued)

Revenue Bonds (continued)

The resolutions providing for the issuance of the sales, services, and use tax revenue bonds includes the following provisions:

- (a) the bonds will only be redeemed from the future earnings of the statewide school infrastructure sales, services, and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- (b) A Reserve Fund will be established for the \$353,500 revenue bond issue only by the deposit of 10% of bond issuance proceeds and will be maintained as necessary to meet the Sinking Account requirements.
- (c) All proceeds after the establishment of the reserve fund from the statewide sales and services tax shall be placed in a Revenue Account for each issuance.
- (d) Monies in the Revenue Accounts shall be disbursed to make deposits into Sinking Accounts to pay the principal and interest requirements of each revenue bond issuance for the fiscal year.
- (e) Any monies remaining in the Revenue Accounts after the required transfers to the Sinking Accounts may be transferred to the Project Accounts to be used for any lawful purpose.

The District pledged future local option statewide sales and services tax revenues to repay the \$11,185,000 issued in 2011. The bonds were issued for the purpose of financing a portion of the costs of various construction projects. The bonds are payable solely from the proceeds of the statewide sales and services tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 80 percent of the statewide sales and services tax revenues. The total principal and interest remaining to be paid on the notes is \$13,551,205. For the current year, \$756,130 of principal and interest was paid on the bonds and total statewide sales and services tax revenues were \$950,118.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 6. Long-Term Liabilities (continued)

General Obligation Capital Loan Notes

Details of the District's June 30, 2012 general obligation capital loan note indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2013	1.45 %	\$ 365,000	\$ 63,260	\$ 428,260
2014	1.45	370,000	57,968	427,968
2015	1.45	375,000	52,602	427,602
2016	1.85	380,000	47,164	427,164
2017	2.15	390,000	40,136	430,136
2018	2.40	400,000	31,750	431,750
2019	2.60	405,000	22,150	427,150
2020	2.80	415,000	11,620	426,620
		<u>\$ 3,100,000</u>	<u>\$ 326,650</u>	<u>\$ 3,426,650</u>

Note 7. Other Postemployment Benefits (OPEB)

Plan Description – The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 117 active and nine retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark and Delta Dental. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 7. Other Postemployment Benefits (OPEB) (continued)

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2012, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 314,578
Interest on net OPEB obligation	10,985
Adjustment to annual required contribution	<u>33,565</u>
Annual OPEB cost	291,998
Contributions made	<u>58,346</u>
Increase in net OPEB obligation	233,652
Net OPEB obligation beginning of year	<u>439,394</u>
Net OPEB obligation end of year	<u><u>\$ 673,046</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2012.

For the year ended June 30, 2012, the District contributed \$58,346 to the medical plan.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2012 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 291,998	20%	\$ 673,046

Funded Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2011 through June 30, 2012, the actuarial accrued liability was \$4,042,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,042,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$6,903,000, and the ratio of the UAAL to covered payroll was 58.6%. As of June 30, 2012, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 7. Other Postemployment Benefits (OPEB) (continued)

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2009 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, projected to 2000 (2/3 female, 1/3 male). Annual retirement and termination probabilities were developed from the retirement probabilities from the 2006 Society of Actuaries study.

Projected claim costs of the medical plan are \$479 per month for retirees less than age 65.

Note 8. Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 5.38% of their annual covered salary and the District is required to contribute 8.07% of annual covered payroll for the year ended June 30, 2012. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2012, 2011, and 2010 were \$544,045, \$459,694, and \$435,349, respectively, equal to the required contributions for each year.

Note 9. Risk Management

Williamsburg Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$421,717 for the year ended June 30, 2012 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 11. Categorical Funding

The District's fund balance restricted for categorical funding at June 30, 2012 is comprised of the following programs:

Program	Amount
Limited English proficiency	\$ 94,384
Dropout prevention programs	81,986
Salary improvement program	53,978
Gifted and talented	28,227
Professional development for model core curriculum	16,934
Beginning teacher mentoring and induction	9,187
Professional development	6,274
Home school assistance program	4,494
Early childhood programs	2,503
Market factor incentives	1,637
Beginning administrator mentoring and induction	1,500
Total	\$ <u>301,104</u>

Note 12. Construction Commitments

The District has entered into various contracts totaling \$10,735,132 for remodeling the high school, addition of a tornado safe room, and various other projects. As of June 30, 2012, costs of \$6,297,876 had been incurred against the contracts. The balance of \$4,437,256 remaining at June 30, 2012 will be paid as work on the project progresses.

Note 13. Scholarship Trust Contribution

During the year ended June 30, 2010, the District received a contribution of 117 acres of farm land. The land is to be rented by the District to the highest responsible bidder and all proceeds are to be used for two or more scholarships to further the education of Williamsburg Community School District high school seniors.

The land had an appraised value of \$1,115,000 at June 30, 2012, and is reported as an investment in the District's Private-purpose Trust Fund.

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Required Supplementary Information

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances –
Budget and Actual – All Governmental Funds and Proprietary Fund**

Required Supplementary Information

Year Ended June 30, 2012

	<u>Governmental Funds - Actual</u>	<u>Proprietary Fund - Actual</u>	<u>Total Actual</u>	<u>Budgeted Amounts Original and Final</u>	<u>Final to Actual Variance</u>
REVENUES:					
Local sources	\$ 7,342,198	\$ 382,063	\$ 7,724,261	\$ 7,625,921	\$ 98,340
Intermediate sources	-	-	-	208,000	(208,000)
State sources	6,280,957	4,776	6,285,733	7,117,910	(832,177)
Federal sources	381,016	188,586	569,602	380,000	189,602
Total revenues	<u>14,004,171</u>	<u>575,425</u>	<u>14,579,596</u>	<u>15,331,831</u>	<u>(752,235)</u>
EXPENDITURES/EXPENSES:					
Instruction	8,034,711	-	8,034,711	8,711,003	676,292
Support services	3,355,855	11,378	3,367,233	4,545,000	1,177,767
Non-instructional programs	-	547,332	547,332	710,400	163,068
Other expenditures	9,964,071	-	9,964,071	13,221,597	3,257,526
Total expenditures/expenses	<u>21,354,637</u>	<u>558,710</u>	<u>21,913,347</u>	<u>27,188,000</u>	<u>5,274,653</u>
Excess (deficiency) of revenues over (under) expenditures/ expenses	<u>(7,350,466)</u>	<u>16,715</u>	<u>(7,333,751)</u>	<u>(11,856,169)</u>	<u>4,522,418</u>
Other financing sources, net	<u>4,001</u>	<u>-</u>	<u>4,001</u>	<u>15,005,000</u>	<u>(15,000,999)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	<u>(7,346,465)</u>	<u>16,715</u>	<u>(7,329,750)</u>	<u>3,148,831</u>	<u>(10,478,581)</u>
Balance beginning of year	<u>16,082,715</u>	<u>149,296</u>	<u>16,232,011</u>	<u>1,653,503</u>	<u>14,578,508</u>
Balance end of year	<u>\$ 8,736,250</u>	<u>\$ 166,011</u>	<u>\$ 8,902,261</u>	<u>\$ 4,802,334</u>	<u>\$ 4,099,927</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
Year Ended June 30, 2012

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2012, expenditures did not exceed the amounts budgeted in any functional area.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN

(In Thousands)

Required Supplementary Information

Year Ended June 30, 2012

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	\$ -	\$ 3,762	\$ 3,762	0.0%	\$ 6,661	56.4%
2011	July 1, 2009	-	3,902	3,902	0.0%	6,657	58.6%
2012	July 1, 2009	-	4,042	4,042	0.0%	6,903	58.6%

See note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

See accompanying independent auditor's report.

Supplementary Information

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	Special Revenue			
	Management	Student	Debt	
	Levy	Activity	Service	Total
Assets				
Cash and pooled investments	\$ 341,275	\$ 155,170	\$ 670,128	\$ 1,166,573
Receivables:				
Property tax:				
Current year	3,873	-	-	3,873
Succeeding year	299,250	-	-	299,250
Total assets	\$ 644,398	\$ 155,170	\$ 670,128	\$ 1,469,696
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 2,072	\$ -	\$ 2,072
Deferred revenue:				
Succeeding year property tax	299,250	-	-	299,250
Total liabilities	299,250	2,072	-	301,322
Fund balances:				
Restricted for:				
Debt service	-	-	670,128	670,128
Management levy purposes	345,148	-	-	345,148
Student activities	-	153,098	-	153,098
Total fund balances	345,148	153,098	670,128	1,168,374
Total liabilities and fund balances	\$ 644,398	\$ 155,170	\$ 670,128	\$ 1,469,696

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2012

	Special Revenue		Debt	
	Management	Student	Service	Total
	Levy	Activity		
Revenues:				
Local sources:				
Local tax	\$ 217,358	\$ -	\$ -	\$ 217,358
Other	15,216	590,419	1,395	607,030
State sources	98	-	-	98
Total revenues	<u>232,672</u>	<u>590,419</u>	<u>1,395</u>	<u>824,486</u>
Expenditures:				
Current:				
Instruction	113,740	576,730	-	690,470
Support services:				
Operation and maintenance of plant services	89,568	-	-	89,568
Transportation services	16,450	-	-	16,450
Other expenditures:				
Long term debt:				
Principal	-	-	908,125	908,125
Interest and fiscal charges	-	-	278,695	278,695
Total expenditures	<u>219,758</u>	<u>576,730</u>	<u>1,186,820</u>	<u>1,983,308</u>
Excess (deficiency) of revenues over (under) expenditures	12,914	13,689	(1,185,425)	(1,158,822)
Other financing sources (uses):				
Interfund transfers in	-	-	1,853,999	1,853,999
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,853,999</u>	<u>1,853,999</u>
Net change in fund balances	12,914	13,689	668,574	695,177
Fund balances beginning of year	<u>332,234</u>	<u>139,409</u>	<u>1,554</u>	<u>473,197</u>
Fund balances end of year	<u>\$ 345,148</u>	<u>\$ 153,098</u>	<u>\$ 670,128</u>	<u>\$ 1,168,374</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
CAPITAL PROJECTS ACCOUNTS

June 30, 2012

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Assets				
Cash and pooled investments	\$ 4,259,268	\$ 95,912	\$ 398,549	\$ 4,753,729
Receivables:				
Property tax:				
Current year	-	8,289	-	8,289
Succeeding year	-	566,255	-	566,255
Due from other governments	150,609	-	40,353	190,962
Total assets	\$ 4,409,877	\$ 670,456	\$ 438,902	\$ 5,519,235
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 49,851	\$ -	\$ 15,216	\$ 65,067
Interfund payable	-	-	6,090	6,090
Deferred revenue:				
Succeeding year property tax	-	566,255	-	566,255
Total liabilities	49,851	566,255	21,306	637,412
Fund balances:				
Restricted for:				
Debt service	353,500	-	-	353,500
Capital projects	-	-	417,596	417,596
School infrastructure	4,006,526	-	-	4,006,526
Physical plant and equipment	-	104,201	-	104,201
Total fund balances	4,360,026	104,201	417,596	4,881,823
Total liabilities and fund balances	\$ 4,409,877	\$ 670,456	\$ 438,902	\$ 5,519,235

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS ACCOUNTS
 Year Ended June 30, 2012

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ 950,118	\$ 561,549	\$ -	\$ 1,511,667
Other	91,973	2,701	75,751	170,425
State sources	-	216	-	216
Federal sources	-	-	40,353	40,353
Total revenues	<u>1,042,091</u>	<u>564,466</u>	<u>116,104</u>	<u>1,722,661</u>
Expenditures:				
Current:				
Instruction	1,580	-	-	1,580
Support services:				
Administration services	-	-	6,090	6,090
Transportation services	6,500	6,302	-	12,802
Other expenditures:				
Facilities acquisition	5,971,864	82,967	2,300,703	8,355,534
Total expenditures	<u>5,979,944</u>	<u>89,269</u>	<u>2,306,793</u>	<u>8,376,006</u>
Excess (deficiency) of revenues over (under) expenditures	(4,937,853)	475,197	(2,190,689)	(6,653,345)
Other financing sources (uses):				
Interfund transfers out	(1,425,559)	(428,440)	-	(1,853,999)
Total other financing sources (uses)	<u>(1,425,559)</u>	<u>(428,440)</u>	<u>-</u>	<u>(1,853,999)</u>
Net change in fund balances	(6,363,412)	46,757	(2,190,689)	(8,507,344)
Fund balances beginning of year	<u>10,723,438</u>	<u>57,444</u>	<u>2,608,285</u>	<u>13,389,167</u>
Fund balances end of year	<u>\$ 4,360,026</u>	<u>\$ 104,201</u>	<u>\$ 417,596</u>	<u>\$ 4,881,823</u>

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2012

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
All Weather Track	\$ 605	\$ 4,852	\$ 5,114	\$ 343
Activity Change Fund	-	14,585	14,585	-
Art Club	240	-	-	240
Baseball Club/Goodwin	2,803	16,246	12,142	6,907
Basketball Cheerleaders	1,110	16,142	16,361	891
Boys Baseball	-	13,358	13,358	-
Boys Basketball	-	10,655	10,655	-
Boys Football	-	27,283	27,283	-
Boys Golf	-	2,896	2,896	-
Golf Club	528	5,001	5,529	-
Boys Soccer	-	5,894	5,894	-
Boys Swimming	545	-	-	545
Boys Track	-	4,051	4,051	-
Boys Wrestling	-	9,146	9,146	-
Cheerleaders	210	2,896	2,857	249
Class of:				
2011	3,905	-	60	3,845
2012	3,741	3,964	5,383	2,322
2013	-	10,701	6,775	3,926
2016	260	3,580	3,840	-
Construction Club	1,623	6,864	3,335	5,152
Country Club	568	4,254	3,593	1,229
Cross Country	-	3,019	3,019	-
Drama	12,860	8,560	8,277	13,143
Elementary Book Rental	-	19,143	19,143	-
Future Farmers of America	9,054	36,273	35,059	10,268
Future Homemakers of America	8,642	10,571	9,120	10,093
General Revenue	5,821	4,234	5,151	4,904
German Club	696	-	-	696
Girl's Basketball	-	11,442	11,442	-
Girl's Golf	-	2,480	2,480	-
Girl's Soccer	-	5,925	5,925	-
Girl's Softball	168	6,851	7,019	-
Girl's Swimming	225	2,265	2,490	-
Girl's Track	-	7,305	7,305	-
Girl's Volleyball	-	4,358	4,358	-
Grade School Activities	8,377	24,376	18,851	13,902
Honor Society	307	2,153	1,599	861
Interest	271	1,241	774	738
Intramural Athletics	-	13,447	13,447	-
Jr. High Account	352	4,267	2,958	1,661

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2012

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Jr. High Honor Society	\$ -	\$ 1,671	\$ 1,400	\$ 271
Jr. High Student Council	2,239	1,505	1,738	2,006
Jr. High Volleyball Club	402	-	-	402
Jr./Sr. High Book Rental	-	72,663	72,663	-
Letter Winners	5,735	-	465	5,270
Library	5,505	1,412	537	6,380
Little Raiders Girls' Basketball	10,121	13,325	11,240	12,206
Math Club	988	102	123	967
Mikana	13,727	13,378	7,953	19,152
Music Organization	3,297	10,467	12,077	1,687
Music Trip	3,781	302	-	4,083
Pom Pom Squad	164	13,402	12,912	654
Raider Basketball Club	1,358	16,743	17,594	507
Raider Football Club	7,831	24,287	28,032	4,086
Raider Softball Club	3,639	6,446	6,249	3,836
Refreshment Stand	249	29,452	28,863	838
Science Club	42	-	-	42
Soccer Club	213	3,386	2,254	1,345
Spanish Club	2,532	6,148	8,294	386
Special Education Activities	1,084	564	1,094	554
Speech Club	314	55	369	-
Student Council	3,193	22,639	24,647	1,185
Swimming Account	1,403	6,091	6,839	655
Thirty Days of Fitness	223	-	28	195
Volleyball Club	3,282	8,236	9,050	2,468
Wrestling Club	5,176	7,867	11,035	2,008
Total	\$ 139,409	\$ 590,419	\$ 576,730	\$ 153,098

See accompanying independent auditor's report.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST EIGHT YEARS

	Modified Accrual Basis Years Ended June 30,			
	2012	2011	2010	2009
Revenues:				
Local sources:				
Local tax	\$ 5,867,201	\$ 5,478,307	\$ 5,108,055	\$ 5,003,155
Tuition	578,066	547,270	444,260	414,164
Other	896,931	1,016,894	803,307	759,326
Intermediate sources	-	-	32,846	13,358
State sources	6,280,957	6,073,209	4,761,397	5,521,003
Federal sources	381,016	563,480	866,873	290,976
Total revenues	<u>\$ 14,004,171</u>	<u>\$ 13,679,160</u>	<u>\$ 12,016,738</u>	<u>\$ 12,001,982</u>
Expenditures:				
Instruction	\$ 8,034,711	\$ 8,022,112	\$ 7,719,467	\$ 7,439,655
Support services:				
Student services	195,299	258,447	159,224	174,102
Instructional staff services	279,478	266,681	288,404	269,633
Administration services	1,374,703	1,036,914	945,161	831,795
Operation and maintenance of plant services	939,233	953,034	877,836	951,593
Transportation services	567,142	707,923	614,684	572,396
Non-instructional programs	-	2,393	-	2,601
Other expenditures:				
Facilities acquisition	8,355,534	3,097,885	645,513	931,934
Long-term debt:				
Principal	908,125	400,094	170,189	160,189
Interest and fiscal charges	278,695	77,263	8,875	16,545
AEA flowthrough	421,717	462,762	434,225	393,646
Total expenditures	<u>\$ 21,354,637</u>	<u>\$ 15,285,508</u>	<u>\$ 11,863,578</u>	<u>\$ 11,744,089</u>

See accompanying independent auditor's report.

2008	2007	2006	2005
\$ 5,166,555	\$ 5,173,540	\$ 4,243,081	\$ 3,458,255
366,862	334,335	320,718	278,454
363,561	250,567	672,426	563,645
-	-	-	-
5,597,924	5,239,011	4,884,448	4,583,508
228,407	266,986	199,489	247,543
<u>\$ 11,723,309</u>	<u>\$ 11,264,439</u>	<u>\$ 10,320,162</u>	<u>\$ 9,131,405</u>
\$ 6,917,692	\$ 7,052,236	\$ 6,279,684	\$ 6,136,796
222,678	228,693	238,184	187,036
298,098	296,555	273,013	266,860
923,329	919,857	806,944	724,704
992,032	956,288	1,020,780	922,571
501,062	471,266	538,848	403,397
4,278	5,213	4,144	35,526
587,517	174,382	110,025	331,275
155,189	430,189	410,189	405,189
23,970	38,330	50,535	61,595
390,544	368,305	339,429	326,127
<u>\$ 11,016,389</u>	<u>\$ 10,941,314</u>	<u>\$ 10,071,775</u>	<u>\$ 9,801,076</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

Grantor / Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 12	\$ 20,217
National School Lunch Program	10.555	FY 12	130,980
National School Lunch Program (non-cash)	10.555	FY 12	37,389
			<u>188,586</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I, Part A Cluster Programs:			
Title I Grants to Local Educational Agencies	84.010	FY 12	<u>66,505</u>
Migrant Education - State Grant Program	84.011	FY 12	<u>74,700</u>
Vocational Education - Basic Grants to States	84.048	FY 12	<u>5,841</u>
Improving Teacher Quality State Grants	84.367	FY 12	<u>20,370</u>
Grants for State Assessments and Related Activities	84.369	FY 12	<u>7,397</u>
Education Jobs Fund	84.410	FY 11	94,403
Education Jobs Fund	84.410	FY 12	3,374
			<u>97,777</u>
Grant Wood Area Education Agency:			
Special Education Cluster Programs:			
Special Education - Grants to States	84.027	FY 12	<u>60,042</u>
Special Education - State Program Improvement Grants	84.323	FY 12	<u>1,371</u>
English Language Acquisition Grants	84.365	FY 12	<u>6,660</u>
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Hazard Mitigation Grants	97.039	FY 12	<u>40,353</u>
Total			<u>\$ 569,602</u>

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

Basis of Presentation –

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Williamsburg Community School District and is presented on the accrual or modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of
Williamsburg Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Williamsburg Community School District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated October 22, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of Williamsburg Community School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Williamsburg Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Williamsburg Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Williamsburg Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We noted no material weaknesses in internal controls over financial reporting during the course of our audit.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-12 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamsburg Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about Williamsburg Community School District's operations for the year ended June 30, 2012 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Williamsburg Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Williamsburg Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Williamsburg Community School District and other parties to whom Williamsburg Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Williamsburg Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Oskaloosa, Iowa
October 22, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education of
Williamsburg Community School District:

Compliance

We have audited Williamsburg Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Williamsburg Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Williamsburg Community School District's management. Our responsibility is to express an opinion on Williamsburg Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Williamsburg Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Williamsburg Community School District's compliance with those requirements.

In our opinion, Williamsburg Community School District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Williamsburg Community School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Williamsburg Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Williamsburg Community School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. We noted no material weaknesses in internal controls over compliance with major programs during the course of our audit.

Williamsburg Community School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's response, we did not audit Williamsburg Community School District's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Williamsburg Community School District and other parties to whom Williamsburg Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Oskaloosa, Iowa
October 22, 2012

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

Part I: Summary of the Independent Auditor's Results:

- (a) Unqualified opinions were issued on the financial statements.
- (b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs was disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - Clustered programs:
 - CFDA Number 10.553 – School Breakfast Program
 - CFDA Number 10.555 – National School Lunch Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Williamsburg Community School District qualified as a low-risk auditee.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

- II-A-12 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The cash receipts listing, bank deposits and the posting of the cash receipts to the cash receipts journal were all done by the same person.

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response – A third person will be involved in the bank depositing for the next fiscal year and we will separate the original receipting, posting to the cash receipts journal and the bank reconciliation functions.

Conclusion – Response accepted.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiency:

No matters were reported.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-12 Certified Budget – Expenditures for the year ended June 30, 2012, did not exceed the amounts budgeted.
- IV-B-12 Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-12 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-12 Business Transactions – No business transactions between the District and District officials or employees were noted.
- IV-E-12 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- IV-F-12 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.
- IV-G-12 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.
- IV-H-12 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-12 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.
- IV-J-12 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-K-12 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- IV-L-12 Statewide Sales and Services Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

Part IV: Other Findings Related to Statutory Reporting (continued):

IV-L-12 Statewide Sales and Services Tax (continued)

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2012, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 10,723,438
Revenues:		
Sales tax revenues	\$ 950,118	
Interest	<u>91,973</u>	1,042,091
Expenditures/transfers out:		
School infrastructure construction	5,971,864	
Equipment	8,080	
Transfers to other funds:		
Debt Service Fund	<u>1,425,559</u>	<u>7,405,503</u>
Ending balance		<u>\$ 4,360,026</u>

For the year ended June 30, 2012, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.